

### **Tax-exempt Bonds**

Allows Florida, Alabama, Mississippi, and Louisiana to issue tax-exempt Oil Spill Recovery Zone bonds between the date of the section's enactment and January 1, 2016. The bonds must be issued either to (1) use at least 95% of the proceeds for the cost of qualified Oil Spill Recovery Zone residential rental projects or the acquisition, construction, reconstruction and renovation of Oil Spill Recovery Zone nonresidential real property or public utility property or (2) finance below-market rate mortgages for low and moderate-income homebuyers

### **Low-income Housing Tax Credit**

The low-income housing tax credit allows owners of qualified residential rental property to claim a credit for ten years that is a percentage of the costs of constructing, rehabilitating, or acquiring the building that is attributable to low-income units

### **Depreciation**

The act increases the depreciation deduction for qualified Oil Spill Recovery Zone property. The increase equals 50% of the taxpayer's adjusted basis in the property and is claimed the year the property is placed in service.

### **Gulf Oil Spill Recovery Tax Credit Bonds**

The act allows holders of Gulf Oil Spill Recovery tax credit bonds to claim a credit based on the credit rate on the date the bonds were sold and their outstanding face amount

### **Retirement Plan Distributions**

For certain post-oil spill retirement plan distributions, this act waives the 10% penalty tax in that would otherwise apply on early withdrawals.

### **Limits on Charitable Deductions**

Under current tax code, individuals may not claim a charitable deduction that exceeds 50% of their contribution base (adjusted gross income with adjustment) and corporations may not claim a deduction that exceeds 10% of their taxable income with adjustment. This act suspends the 50% and 10% limitations for cash contributions made between April 20, 2010, and January 1, 2013. For individuals, the deduction may not exceed the amount that the contribution base exceeds other charitable contributions. For corporations, the deduction is only allowed for contributions used for oil spill cleanup efforts and may not exceed the amount that taxable income exceeds other contributions. The act also suspends the overall limitation on itemized deductions.

### **Mortgage Revenue Bonds**

Tax-exempt mortgage revenue bonds finance below-market rate mortgages for low and moderate-income homebuyers who have not owned a home for the past three years.